

HOUSE BILL 1946

By Lynn

AN ACT to amend Tennessee Code Annotated, Title 7 and Title 68, Chapter 221, relative to utility districts and wastewater entities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 68, Chapter 221, Part 6, is amended by adding the following new sections thereto:

Section ____.

(a) Annually the creating governmental entity shall give notice and shall conduct a public hearing to receive testimony from the public and from the executive director of the authority to review the efficiency and success of the authority, the rates imposed by such authority, the level of customer satisfaction, and any other matters relevant to the concern of the authority and to the public.

(b) In reviewing such authority, the creating governmental entity shall review financial and performance audits of the authority. The creating governmental entity may require an authority to develop and present a plan to address any concerns mentioned in any audit of the authority. If the authority fails to present a plan in a timely manner, it may be subject to a plan developed and voted upon by the creating governmental entity.

Section ____.

(a) The creating governmental entity is also authorized to review all procurements by the authority over three thousand dollars (\$3,000) and purchases of goods and services that are not procured by competitive means. Copies of proposed procurements subject to this section shall be provided to the creating governmental entity. If the creating governmental entity objects to any

such procurements then the authority may be required to show good cause for the purchase.

(b) Consideration shall be made by the creating governmental entity for unforeseen causes. Unforeseen causes shall include, but not be limited to, unanticipated volume of work, delays in transportation, and acts of God.

(c) Purchases made under the provisions of § 12-3-1001 shall not be required to be reviewed.

(d) It is the specific intent of the general assembly that this part shall facilitate and encourage fiscal internal controls of each water and wastewater authority and shall in no way interfere with existing sound and prudent business practices as may be practiced by the board of commissioners of any water and wastewater authority.

SECTION 2. This act shall take effect July 1, 2007, the public welfare requiring it.